



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

August 22, 2008

Ms. Cathy Daoust, Director, Development & Learning,
Sony Pictures Entertainment Inc.
Enterprise Technology Services
600 Corporate Pointe, Suite 6044
Culver City, CA 90232

Dear Ms. Daoust:

RE: FINAL MONITORING VISIT REPORT for Sony Pictures Entertainment Inc. (Sony) –
ET07-0160

Date of the Visit:	04/15/08
Beginning/Ending Time:	9:30 a.m. – 1:00 p.m.
Date of Last Visit:	04/15/08
Visit Location:	Culver City
Persons in attendance:	Cathy Daoust, Director, Development & Learning, Sony Pictures Ent. Amy Washburn, Manager, Sony Pictures Entertainment Don Anderson, Instructor, Sony Pictures Entertainment Elsa Wadzinski, Contract Analyst, Employment Training Panel
Action Required:	No

Term of Agreement:	10/03/06 – 10/02/08	Agreement Amount:	\$403,560
Training Start Date:	10/03/06	No. to Retain:	380
Date Training must be Completed:	07/02/08	Range of Hours:	24 – 120
Type of Trainee:	Retrainee	Weighted Ave. Hours:	59

Ms. Wadzinski originally attempted to schedule the Final Monitoring Visit for July 2008, but due to business demands she needed to reschedule the visit to August.

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www.etp.ca.gov
ETP (04/15/05)

FINAL REPORT SUMMARY:

The Agreement was executed on October 26, 2006 and training began on October 3, 2006. Your project staff reported that all ETP training was completed on July 2, 2008, which allows for the 90-day retention period to be completed within the term ending date of the Agreement – October 2, 2008.

ETP approved Agreement Modification No. 1, which was executed on June 6, 2008, to revise the range of training hours from 24 to 120, to 24 to 200; accommodating trainees who were identified during the training process as requiring more training hours; and to add training subtopics to the curriculum.

According to Ms. Washburn, of the 380 trainees specified on Chart 1, Exhibit A of the Agreement, 227 trainees (60%) will complete the minimum number of training hours required (24 hours) for reimbursement and complete the 90-day retention period. The total hours provided to trainees who met the required minimum in Job 1 are 11,814. At a reimbursement rate of \$18 per hour, Sony would earn approximately \$212,652 (53%) of the total ETP Agreement amount, assuming all other Agreement requirements are met. Since you have been paid \$126,909 to date, you will receive an additional \$85,743 in funding if the anticipated number to retain is verified during the final fiscal closeout. The Analyst commented that all funding to date is unearned. Project staff indicated that they were waiting to submit the Final Progress Payment until all trainees in the Agreement have completed the 90-day retention.

You stated that although the company did not complete 100 percent of the training (due to the initial challenges experienced with training documentation), Sony has been able to provide Computer Skills, Business Skills and Continuous Improvement training that improved an overall skills gap, and contributed to trainees delivering better projects for Sony. You also commented that you believe this training assisted Sony as being identified as one of the top three company's in this industry. Project staff also added that this training has helped their employees gain skills needed to work together more cohesively in a teamwork environment and enjoy improved camaraderie. Further, due to the success of training in this Agreement, you advised Ms. Wadzinski that you are in the process of applying for another ETP Agreement to complete the original training plan, and train more employees.

In discussing what barriers you experienced in implementing your ETP program, you commented that the only challenge was initially getting people (instructor's and trainee's alike) to understand the importance of training documentation. Project staff reported that ETP's websites are user-friendly, and it was easy to learn the systems and enter data.

Ms. Wadzinski asked what assistance ETP could have provided that would improve the process for future Contractor's, and you responded that you would have benefited from more Monitoring Visits. The Analyst advised you and your staff that ETP has changed the Monitoring process so that Analysts will only provide Monitoring Visits every five to six months, or sooner, if there are issues requiring a visit. You responded that you believe ETP Monitoring and support has a direct relation to the degree of success to the ETP project.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Number to Retain	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training	Number of Trainees Completed Retention
1	380	3574	3346	227	227	107

ATTENDANCE ROSTERS:

The Analyst reviewed attendance records of 23 Job 1 trainees billed on Invoice 6, and compared it to the information provided on the ETP On-Line Tracking System. During this review, the Analyst noted 2.5 hours of Continuous Improvement training provided May 9, 2008, by trainer Zorina Ohanian, on May 9, 2008, was mistakenly input on the ETP Tracking System as training, but she was actually the trainer. Project staff agreed to delete this training, which brought the trainees total training hours below the ETP minimum of 24 training hours required for reimbursement, so project staff determined that they would drop this trainee from the project.

Ms. Wadzinski also noted that two rosters exceeded the ETP trainer to trainee ratio of one to 20 for Class/Lab training; one for one to 23 and the other one to 29. The Analyst waived the requirement for these two rosters as the overall ratio for all class/lab sessions provided to date averages less than the standard ratio of one to 20.

All other Class/Lab Rosters revealed that the Rosters are being completed correctly and meet ETP requirements; the Agreement curriculum was provided as specified; and you are in compliance with the ratio of one trainer to 20 retrainees specified in the Agreement Training Plan.

Your project staff was advised that these findings are based only on the training records reviewed during this Visit and represent only a sample of the training records completed to date. Further that it is your responsibility to ensure that all training records are in compliance with Panel requirements for auditing purposes. [Reference: Title 22 California Code of Regulations, Section 4442)]

AUDIT:

Sony will be notified in writing if this agreement is selected for an audit, conducted either at your site (field audit) or by telephone (desk audit or "review"). The Audit Notification and Audit Confirmation letters will be sent in advance to allow ample preparation time and will include a list of documents that will be examined by the auditor. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable. Listed below are types of records typically requested during an ETP field audit:

- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding this report, please contact Elsa Wadzinski at (818) 755-3634 or by email at ewadzinski@etp.ca.gov within ten (10) working days from the receipt of this report.

Sincerely,

Signature on file

Dolores Kendrick, Manager
North Hollywood, Regional Office

Signature on file

Elsa Wadzinski, Contract Analyst
North Hollywood, Regional Office

cc: Amy Washburn, Manager (via E-mail)
Sony Pictures Entertainment, Inc.

Brian McMahon, Executive Director
David Guzman, Chief, Program Operations Division
Kulbir Mayall, Manager, Fiscal and Certification
Master File
Project File

Date report mailed to Contractor 9/10/08